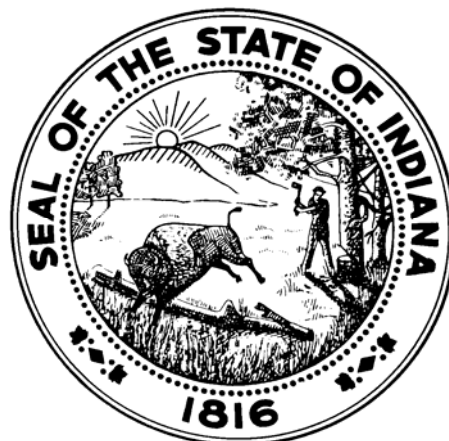


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
FULTON COUNTY PUBLIC LIBRARY
FULTON COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
03/14/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David L. Ewick Larry Cunningham (Interim)	01-01-05 to 02-05-07 02-06-07 to 12-31-07
Treasurer	Joseanne Newton George Hapner	01-01-05 to 06-04-06 06-05-06 to 12-31-07
President of the Board	Robert Uhrich James Mulligan	01-01-05 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FULTON COUNTY PUBLIC LIBRARY, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Fulton County Public Library (Library), for the period of January 1, 2005 to December 31, 2006. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 6, 2007

FULTON COUNTY PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 381,586	\$ 1,894,729	\$ 1,881,456	\$ 394,859
Gift	2,032	1,248	2,220	1,059
Rainy Day	25,173	25,517	25,517	25,173
LSCA Literacy	6,656	6,685	4,381	8,960
LSCA Reciprocal	318	-	-	318
Summer Reading	357	450	375	432
Aubbeenaubee Memorial	701	-	-	701
Community Foundation Grant	462	1,006	-	1,468
Bill and Melinda Gates Grant	110	-	-	110
Fulton Memorial	27	-	-	27
Bond and Interest Redemption	21,704	91,916	91,916	21,704
Library Improvement Reserve	102,503	49,237	52,161	99,579
Library Capital Projects	24,135	115,701	115,701	24,135
Staff Purchases	12	1,797	1,809	-
Construction	-	3,435,459	3,359,810	75,649
Fiduciary Funds:				
Payroll Withholdings	4,000	3,025	4,000	3,025
Levy Excess	-	6,691	-	6,691
PLAC	78	896	778	196
Totals	<u>\$ 569,854</u>	<u>\$ 5,634,357</u>	<u>\$ 5,540,125</u>	<u>\$ 664,087</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 394,859	\$ 1,849,795	\$ 1,411,992	\$ 832,662
Gift	1,059	2,337	1,229	2,167
Rainy Day	25,173	52,819	52,819	25,173
LSCA Literacy	8,960	5,575	6,232	8,303
LSCA Reciprocal	318	9,065	3,500	5,883
Summer Reading	432	-	111	321
Aubbeenaubee Memorial	701	-	-	701
Community Foundation Grant	1,468	1,135	2,603	-
Bill and Melinda Gates Grant	110	-	-	110
Fulton Memorial	27	-	-	27
Bond and Interest Redemption	21,704	509,813	532,206	(689)
Library Improvement Reserve	99,579	6,893	6,136	100,336
Library Capital Projects	24,135	313,408	297,771	39,772
Staff Purchases	-	1,535	1,535	-
Construction	75,649	3,915,186	3,593,520	397,315
Fiduciary Funds:				
Payroll Withholdings	3,025	3,716	3,025	3,716
Levy Excess	6,691	11,213	6,691	11,213
PLAC	196	744	692	248
Totals	<u>\$ 664,087</u>	<u>\$ 6,683,233</u>	<u>\$ 5,920,062</u>	<u>\$ 1,427,258</u>

The accompanying notes are an integral part of the schedules.

FULTON COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

FULTON COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan.

The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Library has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The outstanding principal at December 31, 2006, was \$3,420,000.

FULTON COUNTY PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

REQUIRED SUPPLEMENTARY INFORMATION							
Actuarial Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability - AAL	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL As A % Of Covered Payroll	
07-01-03	\$ 343,281	\$ 373,383	\$ (30,102)	92%	\$ 370,471	(8%)	
07-01-04	347,136	427,657	(80,521)	81%	383,597	(21%)	
07-01-05	364,792	540,571	(175,779)	67%	422,906	(42%)	

FULTON COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets completed in the current year has been reported. Retroactive reporting of general infrastructure assets will occur by 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 104,017
Buildings	1,631,232
Improvements other than buildings	153,885
Machinery and equipment	329,532
Construction in progress	<u>1,166,373</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,385,039</u>

FULTON COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For The Year Ended December 31, 2006

The Library has entered into the following bonds:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Fulton County Public Library Improvement Bonds	\$ 3,420,000	\$ 120,000

FULTON COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2007, with Grace Miller, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.